

DADY & GARDNER, P.A.

LAWYERS FOR FRANCHISEES

J. Mark Dady

Attorney

Direct: 612-359-5488

mdady@dadygardner.com

"Putting franchisees and dealers first for over 25 years"

5100 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Office: 612-359-9000
Fax: 612-359-3507
www.dadygardner.com

January 21, 2020

Sent Via Email

Planet Fitness International Franchise
c/o Justin Vartanian, General Counsel
Planet Fitness World Headquarters
4 Liberty Lane West, Floor 2
Hampton, New Hampshire 03842
Justin.Vartanian@pfhq.com

Re: JEG-United's Notice of Intent to Exercise Put Option for Mexico Businesses

Dear Justin:

On or about March 5, 2019, JEG-United, LLC ("JEG-United") and Planet Fitness International Franchise ("International Franchisor") entered into a number of agreements, including a Side Letter Agreement.

Section 7 of the Side Letter Agreement grants JEG-United a "Put Option" related to the Initial Businesses and the Additional Businesses, as those terms are defined in the Side Letter Agreement (collectively, the "Mexico Businesses"). Pursuant to the Put Option, if JEG-United and International Franchisor have not executed an ADA by December 31, 2019, JEG-United has the right to sell the Mexico Businesses to International Franchisor. To exercise this right, and require International Franchisor to purchase the Mexico Businesses, JEG-United simply needs to deliver written notice to International Franchisor exercising its Put Option on or before January 30, 2020.

The purpose of this letter is to provide you with written notice that, as of the date of this letter, JEG-United is planning, on or before January 30, 2020, to deliver a written notice to International Franchisor exercising its Put Option, as more specifically set forth in Section 7 of the Side Letter Agreement. Upon receipt of such notice, we fully expect that International Franchisor will, as required by the Side Letter Agreement, purchase the Mexico Businesses for a price equal to the book value of the Mexico Businesses within 90 days.

Despite this present intention to exercise the Put Option on or before January 30, 2020, JEG-United has informed me of certain ongoing discussions between JEG-United, International

Justin Vartanian
January 21, 2020
Page 2

Franchisor, and certain other interested parties relating to a number of different business options in Mexico. In order to allow those discussions to continue, we are requesting International Franchisor to agree to enter into an amendment to the Side Letter Agreement modifying the expiration of the Potential ADA Negotiation Period (and the time to exercise its Put Option). Specifically, we would like to see the Potential ADA Negotiation Period extended to April 30, 2020, which would then require the Put Option to be exercised, if at all, on or before May 30, 2020. To the extent International Franchisor is ready to agree to such an amendment, please promptly let me know.

Otherwise, in the event International Franchisor is not willing to agree to an amendment, or an amendment is not executed in the coming days, please note that JEG-United currently intends to deliver a written notice to International Franchisor exercising its Put Option, as more specifically set forth in Section 7 of the Side Letter Agreement, on or before January 30, 2020.

Thank you in advance for your prompt attention to the matters set forth above.

Sincerely,

DADY & GARDNER, P.A.



J. Mark Dady

MD/pg

cc: JEG-United, LLC